

As illustrative of the classes of security demanded by the national government as a basis for currency to be issued by the national currency association, and accentuating the necessity of a receipt issued by the State which would be acceptable at once, I call your attention to two incidents of recent occurrence in the State of Texas. A certain well known, large bank of this State, with resources of more than four million dollars, but which for the purpose of not disclosing the identity of same to the public we will call the national bank, joined a currency association and forwarded one hundred and seventy thousand dollars of the best paper contained in its portfolio to the national currency association, all of which was approved by the said association as a basis for issuing currency. The national currency association in turn reported it to the proper authorities at Washington. These authorities rejected approximately one hundred and twenty thousand dollars of this choice paper as a basis for currency issue, stating that the makers of the paper did not have sufficient commercial rating. I happen to know of my own knowledge that there was one piece of this rejected paper which was made by a party who owns at least three million dollars worth of real estate, a greater part of which is unincumbered. However, not being engaged in commercial business this party had no commercial rating. The other incident was of a similar nature. The point I wish to impress is that we have not at this time any large amount of satisfactory commercial paper in Texas on which to secure currency. Not that our paper is not good, because in the main it is as good as that of any other State, but our State is not a commercial State, and therefore the makers of its paper, although abundantly solvent, have no commercial rating, and we will therefore encounter more or less difficulty in securing the acceptance of our paper for issues of currency. This instance illustrates the difficulty which beset us and the reason why at this time the State should issue these cotton receipts and why receipts issued generally by other people can not hope to be accepted as collateral for the issuance of currency, either by the National Currency Association or the Federal reserve banks.

My remedies, therefore, so far as they have been developed in my own mind, may be briefly stated as follows:

1. The passage of the emergency bill

clothing the Banking Department with ample authority and sufficient funds to establish State warehouses throughout the State and issue receipts.

2. The passage of some additional laws bringing our State bank law into exact conformity and harmony with the Federal reserve act. I am now studying our law with a view of suggesting the preparation of measures which will bring this about.

3. That all State banks that are qualified at once join a Federal reserve bank and that those which are not qualified by reason of insufficient capital should, if they can do so, at once increase their capital and join a Federal reserve bank.

In making the suggestion that the administration of an emergency measure be placed in the Banking Department, I am by no means seeking more duties to perform; on the contrary, personally, I would rather forego the large responsibility and great labor it will entail, but the protection of the credit and standing of the State banks of this State is already placed on my department, and the department, under my predecessors, has established a standing in the commercial world which is second to none in the United States, and I feel certain that the receipts issued will find a ready approval by the National authorities and investing public generally.

Respectfully submitted,

W. W. COLLIER,

Commissioner of Insurance and Banking.

SEVENTH DAY.

Senate Chamber,

Austin, Texas,

Tuesday, September 1, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Hall.
Bailey of DeWitt.	Harley.
Bailey of Harris.	Hudspeth.
Brelsford.	Johnson.
Carter.	Lattimore.
Clark.	McNealus.
Collins.	Morrow.
Conner.	Real.
Cowell.	Taylor.
Darwin.	Terrell.
Gibson.	Townsend.
Greer.	Warren..

Watson. ■
Westbrook.

Wiley.
Willacy.
Absent.

McGregor.

Absent—Excused.

Nugent.

Prayer by the Chaplain.
Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator McNealus.

EXCUSED.

On account of important business:
Senator Astin, for non-attendance on yesterday, on motion of Senator Terrell.

SIMPLE RESOLUTION.

By Senator Cowell:

Whereas, An adverse vote on any warehouse bill in the Senate at this time, under the provisions of the Constitution, would appear to block all legislation on such subject during this session of the Legislature, thus creating a delicate parliamentary situation, impelling the exercise of extreme caution; therefore, be it

Resolved, That the Senate go into a Committee of the Whole in this Chamber, immediately after the morning call, for the purpose of considering all warehouse bills reported out of committee, in an earnest effort to agree upon a single bill for submission to this body.

Senator Astin offered the following amendment, which was read:

Amend the resolution by inserting after the word "committee," "or such bills as may hereafter be reported out."

After discussion, Senator Wiley moved to table the amendment to the resolution, which motion was lost.

The amendment was then adopted.

Senator Wiley moved to table the resolution, as amended, and the motion was lost.

The resolution, as amended, was then adopted.

SIMPLE RESOLUTION.

By Senator Clark:

Resolved, That the Superintendent of Public Buildings and Grounds be requested to start the fans in the Senate at 8 o'clock every morning.

The resolution was read and adopted.

IN COMMITTEE OF WHOLE SENATE.

In accordance with the above resolution, the Senate resolved itself into a Committee of the Whole Senate.

IN THE SENATE.

(President Pro Tem. Warren in the chair.)

At 5 o'clock p. m. the committee of the whole reported to the Senate that it had risen, and desired to report progress and have leave to sit again.

SIMPLE RESOLUTION.

By Senator Taylor:

Whereas, Hon. Hugh Harris of Bell county, Democratic nominee for State Senator from the Twenty-seventh Senatorial District, is in the city; therefore, be it

Resolved, That he be invited to address the Senate, and be given the privileges of the floor.

The resolution was read and adopted, and Senators Taylor, Morrow, and McNealus were appointed as a committee in accordance with the above resolution.

ADJOURNMENT.

On motion of Senator Bailey of Harris, the Senate, at 5:30 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

APPENDIX.

COMMITTEE REPORTS.

Committee Room,
Austin, Texas, August 31, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 7, A bill to be entitled "An Act to authorize the appointment of State weighers and graders of cotton in public warehouses; to further regulate cotton warehouse receipts; to facilitate the lending of money thereon; to make cotton warehouse receipts safer collateral for loan of money; to enable the farmers of Texas to obtain money

on cotton warehouse receipts; prescribing the life of this bill, and declaring an emergency,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

Committee Room,
Austin, Texas, August 31, 1914.

Hon. Robt. L. Warren, President Pro Tem. of the Senate.

Sir: Your Committee on Commerce and Manufactures, to whom was referred

S. B. No. 9, A bill to be entitled "An Act to amend Chapter 37 of the General Laws, enacted by the Thirty-third Legislature, First Called Session, July 21 to August 19, A. D. 1913, providing for the conduct of the business of a public warehouseman, describing what constitutes such warehouse and defining what shall be held to be public warehousemen; providing that all persons, firms and corporations, or associations of persons, shall obtain a permit of authority from the Commissioner of Insurance and Banking, and defining the requisites of said permit; providing a bond for the public warehousemen; and providing that such public warehousemen shall issue negotiable and non-negotiable receipts for property stored in such warehouse, and vesting the supervision of such public warehouses in the Commissioner of Insurance and Banking, and defining his duty with reference to such warehouses, and directing said Commissioner to prescribe uniform public warehouse receipts for cotton; and requiring that any encumbrance on cotton stored in public warehouses shall be disclosed in the endorsement on the back of such negotiable receipt, and providing a penalty for failure to truthfully disclose such facts; preventing public warehousemen, by provisions inserted in their receipts, from limiting their liability under the law; providing for the negotiability of receipts issued; providing a penalty for public warehousemen who violate the provisions of this act; providing the conditions under which private warehousemen may conduct such business, and declaring an emergency,"

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass.

COLLINS, Chairman.

EIGHTH DAY.

Senate Chamber,
Austin, Texas,

Wednesday, September 2, 1914.

The Senate met pursuant to adjournment, and was called to order by President Pro Tem. Warren.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.	Johnson.
Bailey of DeWitt.	Lattimore.
Bailey of Harris.	McGregor.
Brelsford.	McNealus.
Carter.	Morrow.
Clark.	Real.
Collins.	Taylor.
Conner.	Terrell.
Cowell.	Townsend.
Darwin.	Warren.
Gibson.	Watson.
Greer.	Westbrook.
Hall.	Wiley.
Harley.	Willacy.
Hudspeth.	

Absent—Excused.

Nugent.

Prayer by Dr. V. A. Godbey.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Taylor.

SIMPLE RESOLUTION.

By Senator McNealus:

Resolved, That further consideration of warehouse bills be postponed until September 24, 1914.

The resolution was read.

MESSAGE FROM THE GOVERNOR.

Here a messenger from the Governor's Office appeared at the bar of the Senate and presented a "message from the Governor" to the Senate.

SIMPLE RESOLUTION.

Action recurred on the pending simple resolution by Senator McNealus.

The resolution was read second time.

Senator Clark moved to table the resolution and moved the previous question on the motion to table. The motion for the previous question being duly seconded, was so ordered.

The motion to table the resolution was adopted.